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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 1951**

March 12, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to capital investment; appropriating money for energy-efficient design  
1.3 and construction grants; authorizing the issuance of general obligation bonds.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **ENERGY-EFFICIENT, COST-EFFECTIVE DESIGN AND**  
1.6 **CONSTRUCTION GRANTS FOR LOCAL GOVERNMENTS.**

1.7 Subdivision 1. **Appropriation.** (a) \$..... is appropriated from the bond proceeds  
1.8 fund to the commissioner of commerce for grants to a county, statutory or home rule  
1.9 charter city, town, school district, or any combination of those units operating under an  
1.10 agreement to jointly undertake a project: (1) to pay the incremental cost of predesign  
1.11 and design work that will identify the design elements and costs for construction of the  
1.12 proposed building and adjacent landscaping using standard construction methods and the  
1.13 design elements and costs for construction using energy-efficient elements; and (2) for up  
1.14 to \$..... to pay part or all of the incremental cost of construction and adjacent landscaping  
1.15 work related to implementation of the energy-efficient design, as identified in the design.

1.16 (b) The commissioner shall prescribe the application form. For all grants, the  
1.17 application must include at least the following information:

1.18 (1) the resolution adopted by the municipality in support of the project and  
1.19 specifically in support of implementing an energy-efficient design in the construction  
1.20 of the new municipal building;

1.21 (2) a detailed estimate, along with necessary supporting evidence, of the total costs  
1.22 for the phase of the project for which a grant is sought;

1.23 (3) evidence that the municipality has funds committed to pay for the balance of this  
1.24 phase of the project; and

2.1 (4) any additional information or material the commissioner requires.

2.2 (c) For a predesign or design grant, the application must include at least the  
2.3 following information:

2.4 (1) a general description of the project, including the ultimate use of the building,  
2.5 an estimate of the size, possible locations for the building, ownership, and timeline for  
2.6 implementation;

2.7 (2) the method for soliciting proposals from design professionals and the  
2.8 qualifications required by the municipality in selecting the design professional for the  
2.9 project; and

2.10 (3) an estimate of the incremental cost of the predesign or design work proposed that  
2.11 will be due to providing the energy-efficient alternative.

2.12 (d) For a construction grant, the application must include at least the predesign and  
2.13 design work that provides sufficient detail for the commissioner to identify the difference  
2.14 in construction costs and estimated operating costs, including energy consumption,  
2.15 between construction of the project with standard elements and construction using the  
2.16 proposed energy-efficient elements.

2.17 (e) If applications for grants exceed the available appropriations, the commissioner  
2.18 may award up to .... percent of the available funds for predesign and design work grants.

2.19 (f) The commissioner must award construction grants on a competitive basis, giving  
2.20 highest priority to projects that, in the commissioner's judgment, provide the highest return  
2.21 in energy-efficiency benefits for the public costs incurred. In addition, the commissioner  
2.22 shall consider the following factors in evaluating proposed construction projects:

2.23 (1) whether the project is the first public energy-efficient construction project in the  
2.24 area and can serve as a model;

2.25 (2) whether the payback from the energy savings is faster than other similar  
2.26 proposals;

2.27 (3) the overall project costs; and

2.28 (4) the quality of the proposal, including the ability of the municipality to adequately  
2.29 oversee the project.

2.30 (g) In making grants, the commissioner shall establish semiannual application  
2.31 deadlines in which grants will be authorized from all or part of the available money in the  
2.32 account.

2.33 (h) The commissioner shall require each grant recipient to document and report  
2.34 details of the project funded to allow the commissioner to analyze costs, energy savings,  
2.35 and building operational savings.

3.1            Subd. 2. **Bond sale.** To provide the money appropriated by section 1 from the bond  
3.2 proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an  
3.3 amount up to \$..... in the manner, upon the terms, and with the effect prescribed by  
3.4 Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution,  
3.5 article XI, sections 4 to 7.

3.6            **EFFECTIVE DATE.** This section is effective the day following final enactment.